PRINCE EDWARD ISLAND
HOUSING CORPORATION

Annual Report

1981/82

With Interim Report to December 1982

Letter of Transmittal

Prince Edward Island
HOUSING CORPORATION

HOUSING FOR ISLANDERS

PO Box 1268
Charlottetown P.E.I. C1A 7M1

11 Kent Street
Charlottetown P.E.I
902/892/0221

The Honourable J.A. Doiron
Lieutenant-Governor
Province of Prince Edward Island

Dear Sir:

On behalf of the Board of Directors, it is my privilege to submit to you the report of the activities of the Prince Edward Island Housing Corporation for the fiscal year ending March 31, 1982. In order to make the report more current, an Interim Report for the period between April 1, 1982 and December 31, 1982 has also been included.

I have the honour to be, Sir,

Your obedient servant,

Gordon Lank
Chairman and Minister
Responsible

TABLE OF CONTENTS

Letter of Transmittal 1
Board of Directors 2
General Manager's Review 3
Program Activities in 1981/82 5
Summary of Activities in 1981/82 8
Interim Report 9
Regional Offices 11
Divisional Activities 12
The Office of the Rentalsman 15
Financial Statements 19

Board of Directors

As At March 31, 1982

Hon. Horace B. Carver, Q.C.
Minister Responsible for the
Prince Edward Island Housing Corporation

Douglas Kirby, Vice-Chairman
Kinkora

Bruce Clarke, Secretary-Treasurer
Charlottetown

Earle Arsenault
East Royalty

Kevin Kilbride
Foxley River, Portage R.R. 1

George Whiteway
Dover, Murray River R.R. 2

Allison Croken
Charlottetown

John Forbes
Summerside

General Manager's Review

The 1981/82 fiscal year was a difficult period for many involved in the housing sector. It was a period seriously affected by factors such as high mortgage interest rates, limited sources of funding and a worsening economic environment. Still, there were many positive events during the year and the P.E.I. Housing Corporation continued to play an active and constructive role in assisting in meeting housing needs. The Corporation processed approvals for the repair of more than 1,000 Island homes, oversaw the construction of 23 Senior Citizens Housing units, administered more than 1,000 units of existing housing, and provided service to the public for each of its five regional and one satellite offices. Approximately $6 million of federal, provincial and private sector spending was generated in 1981/82 through programs administered by the P.E.I. Housing Corporation.

Like the rest of the country, P.E.I. experienced a decline in new housing construction. Building permits were issued for 313 new housing units during the fiscal year. This represented a 41 per cent decline from the 532 total in 1980/81. One promising sign in the new construction sector, however, was that permits for 411 units had been issued during the nine month period from April to December 1982. The low number of housing starts in 1981/82 can be attributed largely to the high interest rates, which fluctuated between 16 and 21 per cent, and to the weak state of the national and provincial economy. While new construction had reached a fifteen year low, home repair activity remained very strong in the Province. This activity is particularly important to P.E.I. due to the high proportion of older Island homes. Repair activity also provides much needed labour intensive work for the Province's many small contracting firms.

One major concern throughout 1981/82 was the impact of high interest rates on mortgage renewals. Mortgage payments for some homeowners rose by more than 50 per cent upon renewal. There are no reliable estimates of the default rate on P.E.I., but it is probable that it was not as high as many feared at the time. However, many homeowners did face steep increases in mortgage payments which placed a great deal of stress and uncertainty on the affected families. The return of interest rates to more traditional levels in late 1982 was a welcome relief both to the sector in general and to individual homeowners.

During the 1981/82 fiscal year, the Housing Corporation undertook efforts to ensure that Senior Citizens Housing projects have access to emergency electrical generation systems. The harsh winter of 1982, which brought about several electrical power interruptions, served as a vivid reminder to all of our reliance on electricity. Interruptions are particularly worrisome when they affect older residents. With the installation of electrical generators, the Housing Corporation will be able to offer tenants the security of having an auxiliary power supply in the event of power outages. These installations are being made possible through the co-operation and cost sharing of Canada Mortgage and Housing Corporation.

The P.E.I. Housing Corporation, of course, does not act alone in the delivery of housing programs and services to Prince Edward Island. The Canada Mortgage and Housing Corporation also plays a key role in housing programming

both in funding federal/provincial programs and delivering its own programs. Much of the day-to-day work of P.E.I. Housing Corporation staff involves federal/provincial programming. This relationship requires a considerable amount of co-operation, and the P.E.I. Housing Corporation is pleased with the very favourable support it has enjoyed from CMHC in recent years. The P.E.I. Housing Corporation would like to thank the federal government and its agent, the Canada Mortgage and Housing Corporation, for its continued major contributions to housing in Prince Edward Island.

Ginger Breedon
Acting General Manager

Program Activities

Residential Rehabilitation Assistance Program

Housing in Prince Edward Island has benefitted greatly through the Residential Rehabilitation Assistance Program. Approximately one home in four in the Province, as at the end of 1981, had received assistance for very substantial repairs under the program since its introduction in late 1975. In all, this represents more than 9,300 housing units and repairs valued at over $36 million in a Province that, in 1976, had 32,930 housing units. The repairs have been wide ranging, with the priority being placed on such basic items as wiring, heating, plumbing, structural repairs and safety systems. In 1981, the eligibility criteria for the program were expanded to include improvements necessary to better accommodate disabled occupants.

The 1981 calendar year was another very active period for RRAP in P.E.I. The total for approvals in rural areas of the Province reached 831, with a value of just over $2.9 million, while another 312 approvals, valued at $1.0 million, were made in areas formerly designated under the Neighbourhood Improvement Program. The P.E.I. Housing Corporation processed all of the approvals in the rural areas and those approvals in the NIP areas for which the Corporation administered the program. These municipalities were Borden, Kensington, Montague, Sherwood, Souris and Tignish. The other NIP municipalities either administered the program on their own or had the Canada Mortgage and Housing Corporation administer it.

The actual grant and loan assistance for the Residential Rehabilitation Assistance Program is provided by the federal government through the Canada Mortgage and Housing Corporation. The program provides up to $10,000 in grants and loans for the upgrading of substandard housing units. In 1981, homeowners were eligible for up to $3,750 in grant assistance and landlords were eligible for up to $2,500 per unit in grant assistance to cover half of the cost of improvements. CMHC funding for the program has been very generous in P.E.I. and has been, by far, the highest per capita of any province in Canada. Demand for the program has been exceptionally strong in P.E.I.

Provincial Contributions to Seniors — Home Repair Program

Those who are often in the greatest need for home repair assistance are senior citizens. Many seniors live in older homes, that are in need of repairs or upgrading, and have relatively low incomes. One approach that has proven to be popular and successful in P.E.I. has been to have groups that are assisted under job creation projects carry out the repairs on the homes of low income seniors. In this way, useful employment is created for the groups and free labour is provided to the homeowners. The Province has supported such initiatives by providing grants up to $750 per home to cover the cost of materials. This assistance is known as the Provincial Contributions to Seniors — Home Repair Program.

in 1981/82, homeowners over the age of 60 and who had adjusted incomes of $10,000 or less for couples or $8,000 or less for one person households were eligible to receive assistance under this program.

Manpower home repair projects traditionally commence work in the late autumn and complete their projects by the summer or early autumn of the following year. As such, the work of the groups does not correspond closely to the fiscal year periods. During the early part of the 1981/82 fiscal year, groups were active in Southern Kings and Queens Counties and West Prince County. By the end of October 1981, these two groups had made improvements on 128 homes and had fully utilized the provincial assistance of $75,000. These groups were joined by a group in Eastern Kings County for the 1982 season and, once again, the Province committed a new budget of $75,000. As at March 31, 1982, these groups had made 77 new approvals.

Senior Citizens Housing

Two new projects were commenced in 1981/82. One project was an 18 unit building in Summerside while the other was a 5 unit building in Souris. Projects started in 1980/81 were completed in Charlottetown (14 units), Montague (8 units), O'Leary (8 units) and Borden (6 units). These 36 units brought the total number of existing Senior Citizens Housing units in P.E.I. as at March 31, 1982 to 733. These units are distributed among 32 Island municipalities and are directly administered by the P.E.I. Housing Corporation.

Senior Citizens Housing provides self-contained housing units for the elderly in communities throughout the Province. Tenants for projects are selected in accordance with their need for housing assistance and their rents are based on a rent-to-income scale. The construction and operation of Senior Citizens Housing projects are financed under Section 40 of the National Housing Act. Under this section, the Federal Government provides funding for 75% of the costs of the projects while the Provincial Government provides the remaining 25%. Prior to 1977, projects were constructed with federal loan funding under NHA Section 43. Operating losses in these Section 43 projects are shared on a 50/50 basis between the Federal and Provincial Governments under NHA Section 44.

Family Housing

A six unit Family Housing Project was completed in Summerside during 1981/82. This brought the number of Family Housing units in the Province to 191 as at March 31, 1982. These units are distributed among nine Island communities.

The Family Housing Program provides for the construction or acquisition of rental housing for families who cannot otherwise afford adequate accommodation. Funding for the construction and operating costs are shared on a 75% federal/25% provincial basis in accordance with Section 40 of the National Housing Act. The projects, once completed, are administered by local Housing Authorities. These Authorities select the tenants, based on an appraisal of needs, and manage the operations of the projects. The members of the local Housing Authorities are local residents who provide their time without remuneration. It is to them that much of the success of the program is owed.

Summary of Activities

Summary of Program Activities for 1981/82
Prince Edward Island Housing Corporation

Program Area	Units Assisted	Expenditures/Comments
Home Repair Programs		
*Rural RRAP	831	$2,919,000 federal funding
*NIP-RRAP	312	$ 968,000 federal funding
Provincial Contribution to Seniors	128	$ 75,000 provincial funding
Home Rental Programs		
Senior Citizens (New Units)	23	$ 800,000 construction
Family Housing	0	
Property Management		
Senior Citizens	733	maintenance & administration
Social Housing	79	management & administration
Rural & Native	38	management & administration

*Figures are for calendar years. NIP-RRAP figures are for all NIP areas.

Interim Report (April — December 1982)

The Period in Review

A number of promising signs developed during the latter part of 1982 for the housing sector in Prince Edward Island. Interest rates fell by up to 6 points. Government housing programs were very successful in fostering new construction activity, increased real estate sales and strong activity in home repairs. Residential building permits for new construction for the last nine months of 1982 totalled 411 units, a number that exceeded that of 313 for the full 1981/82 fiscal year. A major part of this increased activity resulted from new construction undertaken through the Senior Citizens and Family Housing Programs. An ambitious program of 105 units was committed for 1982/83 both to create an impetus for the construction sector and to provide social housing at a time when need had increased due to the economic environment. In addition to this federal/provincial initiative, the federal government also became more active in its housing programming. The Canadian Homeownership Stimulation Plan proved to be very popular on P.E.I. with approximately 500 approvals for new homes and the sale of existing homes made by December 1982. The Canada Home Renovation Plan had also achieved approximately 500 approvals by that date. Several proposals had been submitted under the Canada Rental Supply Plan to construct much needed rental housing. Interest in the Residential Rehabilitation Assistance Program grew stronger in the fall after CMHC announced increases in the assistance and eligible income guidelines. These initiatives, plus the decline in mortgage interest rates from 18 per cent in April to 12.5 per cent in December, brought about a much welcomed improvement in the health of the sector.

While the general situation was much better at the end of 1982 than at the start of the year, the outlook for 1983 is somewhat mixed. The poor economic climate has weakened consumer confidence and reduced the ability of many to afford new housing or housing improvements. Despite lower interest rates, concern persists about the rates for future renewals. Until such time as the economy resumes its growth, demand for housing, and the accompanying climate for investment, will remain depressed. On the positive side, the developments of 1982 will provide some momentum for 1983 and government programs should help to bring about new activity.

Residential Rehabilitation Assistance Program

Canada Mortgage and Housing Corporation increased the maximum forgiveable loan for homeowners from $3,750 to $5,000, (or $6,250 where repairs are made to make the home more liveable for a disabled occupant). They also adjusted the income eligibility criteria so that homeowners with annual incomes of $23,000 or less per year could qualify for forgiveable assistance. With these changes, the average loan for approved applicants increased. In 1982, 645 Rural RRAP approvals were processed by the P.E.I. Housing Corporation for $2.7 million in loan funding. In addition to the Rural RRAP approvals, the Housing Corporation also processed 32 NIP-RRAP approvals. In the Province as a whole, 877 units of housing were approved for RRAP assistance in the 1982 calendar year.

Provincial Contribution to Seniors — Home Repair Program

The groups that undertook home repair projects during the late autumn 1981 to early autumn 1982 period combined to make 138 approvals. These groups were active in Southern Kings (59 approvals), West Prince (53 approvals) and Eastern Kings (30 approvals). The Provincial Contributions to Seniors — Home Repair Program provided approximately $76,000 in grant assistance for these repairs. In late 1982, these three groups plus new ones in Charlottetown and North Rustico, commenced activity for the 1983 phase.

Helping Hands for Seniors Project

The Helping Hands for Seniors Project was part of the 1982 Provincial Youth Development Program. This program, which was funded by the P.E.I. Department of Labour, was aimed at providing summer employment for students through a number of projects that provided both valuable work experience to the students and benefits to provincial residents. Sixteen students were employed during a twelve week period in the summer of 1982 to provide "helping hands" to assist senior citizen homeowners in the exterior upkeep of their homes. Work was carried out at the homes of 143 seniors with painting and scraping, yard work, work to fences and accessory buildings and basement or shed clean-outs being the most requested types of work.

Senior Citizens Housing

Official openings were held for projects in Summerside (18 units) and Souris (5). These new projects brought the total number of units on the Island to 756. The 1982/83 construction program of 81 units spread through 7 locations was one of the largest ever undertaken for Senior Citizens Housing in P.E.I. By December 1982, construction was underway on projects in Charlottetown (38 units), Summerside (12), Montague (8), Souris (6), Alberton (6), O'Leary (6) and Crapaud (5).

Family Housing

New six unit projects were started late in the year in Tignish, Summerside and Montague. A six unit project was also slated to begin in 1983 in the Charlottetown area.

REGIONAL OFFICES

PRINCE EDWARD ISLAND HOUSING CORPORATION

Divisional Activities

Field Services Division

Most of the public who apply for, or receive assistance from, provincial housing programs are served by the staff of the Field Services Division. This is the Division that supervises the operation of the five regional offices and is responsibile for program delivery functions such as processing applications, inspections, and handling day-to-day program inquiries.

The single largest workload for the Division comes from the delivery of the Residential Rehabilitation Assistance Program where the comprehensive nature of the program requires that a considerable amount of time be spent with each applicant and that the home inspections be detailed. The success of that program also depends on strong working relations with the contractors and tradesmen of the Province. The Senior Citizens Housing Program, another major program, involves the staff not only in the initial interviewing of applicants and periodic updates of their applications, but also the placement of new tenants, rent collection and ongoing tenant relations. Field Services provides liaison with the local housing authorities in the operation and budgetting of Family Housing projects and interviews the applicants. Groups that undertake home repair projects utilizing Provincial Contributions to Seniors — Home Repair assistance work through Field Services to co-ordinate funding and requested inspections. The Division also plays a role in administering the existing stock of Rural and Native Housing units and Social Housing units. Between these programs, the Division staff carried out approximately 5,000 inspections and 4,000 interviews in 1982.

In addition to these regular program activities, the Field Services Division also provided other services. Staff members are often called upon to meet with public groups or clubs and to provide general housing information. Several inspectors were contracted through the Corporation in 1982 to perform energy audits on Atlantic Canada homes for the Canadian General Standards Board. Field Services also participated in the planning for the decentralization of maintenance services that is to take place in 1983.

Construction and Maintenance Division

The most ambitious capital construction program in many years brought about a very demanding year for the Construction and Maintenance Division. Seven Senior Citizens Housing projects and four Family Housing projects were announced for 1982/83. Construction and Maintenance located and evaluated sites for most of these projects and oversaw the acquisition process. In Senior Citizens Housing, where the Province is responsible for supervising the construction process, the Division worked with the architects, arranged for tenders and then monitored the actual construction. The Division also provided assistance to CMHC, the responsible party for the development of Family Housing projects, for the four projects under that program.

Once the buildings are completed, the maintenance function begins. By the end of 1982, the Province had 756 Senior Citizens Housing units. This housing stock was composed of 78 buildings spread among 32 communities.

The maintenance of Senior Citizens Housing projects has been administered, to date, out of Charlottetown. In 1983, the system will be decentralized so that maintenance staff will operate out of each of the Regional Services Centres. Maintenance staff will then be integrated with the Field Services Division and the Construction and Maintenance Division will become the Construction and Technical Services Division. The decentralization of maintenance services will complete the decentralization of the Corporation's operations begun in 1980.

Management Services Division

Among the responsibilities of the Management Services Division are accounting, collections, office administration, management information systems and financial control. In short, the Division is responsible for the efficient operation of the P.E.I. Housing Corporation. Management Services prepares the budget of the Corporation, which involves total direct spending of over $5 million plus additional federal expenditures under cost shared programs, and monitors Corporation spending through the year. The Division also administers 722 mortgage accounts with a value of $9.5 million. In addition to their work for the Housing Corporation, several members of the Division provide financial management and personnel services to the Provincial Department of Community & Cultural Affairs.

The administration of the mortgage portfolio became an increasingly demanding task as interest rates rose into the high teens. For the most part, those who own homes under the Co-operative Housing and Social Housing Programs have relatively low incomes. Where renewals occur, as in Co-operative Housing, the new payments are often very difficult to meet even where they are under 30 per cent of family income. However, the efforts and flexibility of Management Service staff, and the co-operation of the affected homeowners, helped keep actual defaults to a level comparable to the general market.

Management Services integrated its Financial Information System with the provincial government's Computer Services Division in early 1982. In upgrading its information system, Management Services has developed a new Mortgage Account and Information System. These developments will better enable the Corporation to monitor its accounts and to more efficiently operate its accounting system.

Planning and Co-ordination Division

The Planning and Co-ordination Division has ongoing responsibilites for functions such as program planning, policy development, co-ordination of the Corporation's operations, public information, research, and liaison and negotiations with federal, provincial and municipal agencies. In many respects the prime function of the Division is to put the Corporation in as effective a position as possible to serve the housing needs of the Province. In 1982, this involved the Division in such projects as planning for the Helping Hands project, liaising with CMHC on programming and funding matters affecting the Province, monitoring housing needs and responding to special requests.

A major project for the Division was in planning for the decentralization of the maintenance system. The work included the preparation of a new procedures manual, reorganizing the Corporation's organizational structure and rewriting job descriptions for more than one-third of the Corporation's staff.

The Office of the Rentalsman

Responsibilities

The Office of the Rentalsman was established in 1975 to administer the Rent Review Act. In 1980, the Office was also given the responsibility for administering the Landlord and Tenant Act. The Office was integrated with the P.E.I. Housing Corporation in 1981.

Under the Rent Review Act, all landlords of residential properties and mobile home lots must apply for approval of rent increases where the increase exceeds the allowable percentage established annually by the Lieutenant-Governor-in-Council. Tenants must be given written three month notice before a rent increase can be charged. Until approval is obtained, only an increase within the allowable percentage may be charged and collected. When an application is made, an informal hearing before the Rentalsman is held to allow both the landlord and the tenant to provide any relevant information. The Rentalsman then makes a decision on the application after giving consideration to such factors as operating costs, expenditures on maintenance, capital improvements and the profit or loss of the landlord. The Rent Review Act provides for the right of appeal to the Supreme Court on P.E.I. by parties who attend the hearing.

Part V of the Landlord and Tenant Act governs the rights and obligations that landlords and tenants have in respect to rented premises. Matters that fall under the jurisdiction of this Act include residential tenancy arrangements, notice to vacate, repairs and maintenance, invasion of privacy, damages and non-payment of rent. The ultimate adjudication of disputes in matters governed by the Act rests with the court system.

John A. Comeau has served in the position of Rentalsman since the creation of the Office in 1975.

Activities in 1982

The escalation of energy costs experienced through 1981 necessitated an increase in the allowable percentage of rent increases landlords could request for 1982 on heated premises. The allowable percentages established were:

	1982	**1981**
heated units	8%	6%
unheated units	4%	4%

Where no increases had been made in the previous year, the allowable percentages were:

heated units	12%	10%
unheated units	6%	6%

With interest rates rising into the high teens for much of 1982 and with operating costs continuing to rise, more landlords felt it necessary to obtain increases above the allowable percentages than in any previous year. The number of applications received in 1982 was up by approximately 175% from 1981. Many landlords found it necessary to apply for the first time as rising costs put their rental portfolio in a precarious financial position.

The Office continues to receive a large number of inquiries concerning problems relating to Part V of the Landlord and Tenant Act. Typical inquiries have involved the termination of tenancies, repairs, privacy and security deposits. The Office has advised landlords and tenants of their legal rights and obligations, but in many cases the parties have been unable to resolve their problems.

Statistical Report on Rent Review Applications

The applications the Rentalsman receives can be divided into three groups. First, there are applications for rent increase that exceed the allowable percentage. Second, there are applications for rent increases above the allowable percentage for lots within the trailer parks. Finally, where the landlord has discontinued providing services such as heat or electricity that were previously included in the rent, applications may be made to have the rents appropriately adjusted.

Not all applications may require a decision by the Rentalsman. The landlord, for instance, may reach agreement with the tenant prior to the hearing and withdraw the application. The requested rent increase may be within the allowable percentage, which means that the application was not required, or it may be for the second increase within a 12 month period, which means that an increase is not allowable.

The figures in the following tables are for calendar years.

Applications 1982	**No. of Applications**	**No. of Units**
Applications Resulting in Decisions		
Applications for Rent Increases	244	758
Applications for Trailer Parks	1	24
Applications to Discontinue Service	72	95
Applications Not Requiring Decisions		
Cancelled by Landlord	14	68
Tenants Moved Out	3	3
Application Not Required	3	5
Increase Not Allowable	2	2
Applications Pending at Year's End	27	90
Total Applications	366	1045

Decisions 1982		
Residential Properties		
Rent Increases Approved	203	510
Rent Increases Not Approved	41	248
Trailer Parks		
Rent Increases Approved	1	24
Rent Increases Not Approved	0	0
Discontinued Service		
Rent Increases Approved	2	2
Rent Increases Not Approved	0	0
Rents Reduced	68	68
Deemed Not a Discontinued Service	2	25
Rent Increases Null & Void	0	0
Total Orders Issued	317	877

The number of applications was up sharply over 1981. In 1981, there were 132 applications whereas the comparable figure for 1982 was 366. The number of applications in 1980 was 80. An analysis of the information on residential properties shows that the average increase requested in 1982 was about 19% and that the average increase approved was just over 15%. These figures, along with 1981 comparisons, are shown in the following table.

	1982	1981
Rent increases applied for and approved	203	69
Number of Units	510	305
Average Rent at Application	$262.82	$226.54
Average Increase Requested	$ 38.91	$ 33.00
Average Percentage Approved	14.80%	14.57%
Average Rent After Approval	$301.68	$260.00
Rent increases not approved as applied for	41	39
Number of Units	248	129
Average Rent at Application	$264.27	$242.00
Average Increase Requested	$ 69.40	$ 59.09
Average Percentage Requested	26.26%	24.39%
Average Increase Approved	$ 42.30	$ 33.57
Average Percentage Approved	16.01%	12.10%
Average Rent After Approval	$306.57	$277.53
Consolidated Information		
Number of Units	758	434
Average Rent at Application	$263.29	$234.27
Average Increase Requested	$ 48.89	$ 46.27
Average Percentage Requested	18.57%	19.48%
Average Increase Approved	$ 40.20	$ 33.29
Average Percentage Approved	15.20%	13.34%
Average Rent After Approval	$303.31	$267.56

Financial Statements

AUDITOR'S REPORT

The Board of Directors
Prince Edward Island Housing Corporation

I have examined the balance sheet of the Prince Edward Island Housing Corporation as at March 31, 1982 and the statements of income and equity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting. Further in our opinion, except for the inclusion of accrued interest as referred to in Note 13 of the financial statements, such accounting principles are applied on a basis consistent with that of the preceding year.

T. Kaptein, C.A.
Auditor General

Charlottetown, Prince Edward Island
July 29, 1982

PRINCE EDWARD ISLAND HOUSING CORPORATION

STATEMENT 1

BALANCE SHEET

MARCH 31, 1982

(with comparative figures as at March 31, 1981

ASSETS

	1982	1981
Current Assets		
Cash	$ 155,900	$ 79,500
Accounts Receivable — Note 2	1,005,100	1,056,000
Deposit Receipts — Notes 1(a) and 12	294,400	306,600
	1,455,400	1,442,100
Mortgages Receivable — Note 2	9,847,900	10,213,000
Investment in Properties:		
Agreements for sale — Note 3	705,600	717,800
Land for resale — Note 4	3,208,600	3,035,700
Federal-Provincial Projects — Note 5	2,634,900	2,407,900
Rental Housing Projects — Note 6	12,314,500	12,338,200
	18,863,600	18,499,600
Other Assets — Schedule 1	427,200	318,000
Total Assets	$30,594,100	$30,472,700

LIABILITIES AND EQUITY

	1982	1981
Current Liabilities		
Bank indebtedness — Note 7	$ 590,000	$ 931,700
Accounts Payable and accrued liabilities — Note 8	1,899,500	1,548,700
Debenture Payable — Province of P.E.I. — Note 9	1,200,000	1,000,000
	3,689,500	3,480,400
Long-term Liabilities		
CMHC — Note 10	18,365,000	18,690,400
Province of P.E.I. — Note 11	3,589,200	3,638,900
	21,954,200	22,329,300
Reserves		
Cooperative and Social Housing — Note 1(a)	158,100	129,500
Home Repair Program — Note 12	138,900	177,100
	297,000	306,600
Equity contributed by the Province of P.E.I. — Schedule 2	4,653,400	4,356,400
Total Liabilities and Equity	$30,594,100	$30,472,700

(Notes 1 to 14 are an integral part of these financial statements)

STATEMENT 2

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 1982
(with comparative figures for the year ended March 31, 1981)

	1982	1981
Income		
Appropriations from the Province of P.E.I.	$1,324,200	$1,698,000
Appropriations from reserve for home repair — Note 12	68,600	75,600
CMHC operating cost recoveries	816,000	635,600
Administration fees	369,200	498,700
Rental income	1,187,300	996,700
Interest income — Note 13	1,263,300	1,114,100
Sundry — Schedule 3	34,400	18,600
Total Income	5,063,000	5,037,300
Expenses		
Administration — Schedule 4	1,309,400	1,365,600
Operating — Senior Citizen Housing — Schedule 5	1,449,200	1,120,200
Interest	2,166,300	1,945,500
Grants issued — Schedule 6	138,100	606,000
Loss (profit) on sale of land — Note 14	—	(28,200)
Total expenses	5,063,000	5,009,100
Gain (loss) on operations	—	28,200
Provision for possible losses on land under development — Note 14	(200,000)	(200,000)
Provincial contribution — Note 14	200,000	171,800
Income (loss) for the year	$ —	$ —

(Notes 1 to 14 are an integral part of these financial statements)

SCHEDULE 1

PRINCE EDWARD ISLAND HOUSING CORPORATION
OTHER ASSETS
MARCH 31, 1982

	1982	1981
Stores Inventory — General	$ 1,000	$ —
Social Rehabilitation	—	2,500
Office Equipment	82,200	79,200
Vehicles and Equipment — Senior Citizens Housing	50,200	21,200
Debenture Receivable	14,000	15,700
Repossessed Properties	214,800	134,400
Sales Office — Hillsborough Development	65,000	65,000
Totals	$427,200	$318,000

SCHEDULE 2

PRINCE EDWARD ISLAND HOUSING CORPORATION
SCHEDULE OF EQUITY
MARCH 31, 1982

Beginning balance — April 1, 1981		$4,356,400
Add: Additions for the year		
— Senior Citizens Housing	260,800	
— Family Housing	4,200	
— Office Equipment	32,000	297,000
Equity contributed by the Province of Prince Edward Island		$4,653,400

SCHEDULE 3

PRINCE EDWARD ISLAND HOUSING CORPORATION
SUNDRY INCOME
MARCH 31, 1982

	1982	1981
Rebate on Grants Issued	$17,600	$10,300
Family Housing — Operating Revenue	12,200	8,000
Other	4,600	300
Totals	$34,400	$18,600

SCHEDULE 4

PRINCE EDWARD ISLAND HOUSING CORPORATION
ADMINISTRATION EXPENSES
MARCH 31, 1982

	1982	1981
Salaries	$1,094,300	$ 951,100
Travel	83,400	92,000
Office and Administration	92,800	297,100
Decentralization of Operations	20,100	20,400
Bad Debts	—	5,000
Loss on Disposal of Repossessed Property	18,800	—
Totals	$1,309,400	$1,365,600

SCHEDULE 5

PRINCE EDWARD ISLAND HOUSING CORPORATION
OPERATING EXPENSES — SENIOR CITIZENS HOUSING
MARCH 31, 1982

	1982	1981
Repairs and Maintenance	$ 683,400	$ 559,100
Fuel	478,200	321,700
Utilities	155,600	114,900
Property Taxes	98,900	93,500
Depreciation	33,100	31,000
Totals	$1,449,200	$1,120,200

SCHEDULE 6

PRINCE EDWARD ISLAND HOUSING CORPORATION
GRANTS ISSUED
MARCH 31, 1982

	1982	1981
Mortgage Subsidies	$ 51,000	$ 77,300
Municipal Improvements	18,500	177,500
Home Ownership Assistance	—	112,000
Home Improvement Assistance	68,600	239,200
Totals	$138,100	$606,000

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Significant Accounting Policies
   (a) Trust Reserves are set aside for contingencies in Cooperative and Social Housing and are offset by investments in deposit receipts with the Province of P.E.I.

   (b) Depreciation is recorded each year on the Senior Citizens Homes and Manors equal to the principal reduction in the corresponding indebtedness to Canada Mortgage and Housing Corporation.

   (c) No depreciation is recorded on Social Housing or Rural and Native Housing because the Corporation is hopeful of selling these properties to prospective tenants at cost.

   (d) The Federal-Provincial project costs are amortized over the life of the Federal-Provincial agreement. Accumulated amortization represents principal reductions to date on the original investments contained in the agreement.

2. Comparative figures for the year ended March 31, 1981 have been reclassified where necessary to be consistent with the financial statement presentation for the year ended March 31, 1982.

3. Investment in properties under agreements for sale are recorded at cost less tenants' equity.

	1982	1981
Cost	$789,100	$786,900
Tenants' Equity	83,500	69,100
	$705,600	$717,800

4. Investment in land for resale consist of the following:

	1982	1981
Investment in developed land — at cost	$2,099,100	$1,922,200
Less: Provision for possible losses — Note 11	(400,000)	(200,000)
	1,699,100	1,722,200
Land held for development or resale — at cost	1,509,500	1,313,500
	$3,208,600	$3,035,700

5. Investment in Federal-Provincial projects are recorded at cost less accumulated amortization and consist of the following:

	1982	1981
Family Housing	$1,188,000	$1,182,400
Senior Citizens Housing	1,455,200	1,231,600
Sub-total	2,643,200	2,414,000
Less: Accumulated Amortization	8,300	6,100
Total	$2,634,900	$2,407,900

6. Rental Housing properties are recorded at cost less accumulated amortization and consist of the following:

	1982	1981
Senior Citizens Homes	$ 9,115,300	$ 9,115,300
Manors	2,831,100	2,830,200
Rural and Native Housing	509,900	477,500
Social Housing	245,800	257,900
Sub-Total	12,702,100	12,680,900
Less: Accumulated Amortization	387,600	342,700
Total	$12,314,500	$12,338,200

7. Bank indebtedness is guaranteed by the Province of P.E.I.

8. The Corporation has contractual obligations on construction contracts amounting to $359,000.

   Also, the Corporation is contingently liable for the following:

— to approved program applicants for Home Repair Grants	$31,200
— to Canada Mortgage and Housing Corporation for Residential Rehabilitation Assistance Program Fund recipients	35,500
	$66,700

   — Also, an action has been initiated against the Corporation as third party over a dispute on ownership of land that had previously been sold by the Corporation. The ultimate outcome of this action is not determinable including any costs associated with same.

9. The debenture payable was converted from notes payable during the year, carries a rate of 18%, and matures in 1982.

10. Loans payable to Canada Mortgage and Housing Corporation consist of the following:

	1982	1981
Mortgages Payable	$ 4,304,800	$ 4,339,500
Debentures Payable	6,753,400	6,812,800
Loans Payable	7,306,800	7,538,100
	$18,365,000	$18,690,400

11. Repayment terms for a loan payable to the Province of P.E.I. amounting to $642,391 have not been established.

12. The Corporation continued with a three year program of home repair for senior citizens. The expenditures associated with this program are appropriated from a reserve fund. The results for the year are as follows:

Reserve Fund balance — April 1, 1981	$177,100
Add: Interest earned for the year	30,400
Less: Home Repair Grants	(68,600)
Reserve Fund balance — March 31, 1982	$138,900

The Reserve Fund is invested in a deposit receipt with the Province of P.E.I.

13. Interest income includes 13 months interest on mortgage because the accrual on the April payment is included for the first time. The accrual is $99,300 at March 31, 1982.

14. There was no sales activity at the Hillsborough Development Land Assembly project and as a result there was no profit or loss reported. The Corporation, however, did increase the provision for possible losses by $200,000 for the year. This provision was funded by an appropriation from the Province of P.E.I.